



SANDRA SHEWRY
Director

State of California—Health and Human Services Agency
Department of Health Services



ARNOLD SCHWARZENEGGER
Governor

June 26, 2007

Dear Interested Parties:

**MMIS SCOPE OF WORK DEVELOPMENT PROGRAM REQUEST FOR PROPOSAL (RFP) 07-65484
ADMINISTRATIVE BULLETIN 3, ADDENDUM 3.**

Administrative Bulletin Number 3, Addendum 3 issued by the California Department of Health Services (CDHS), Office of Medi-Cal Procurement (OMCP), announces information to the Request for Proposal (RFP) for the MMIS Scope of Work Development. CDHS provides notification to interested parties of the following:

- On Addendum 1, dated June 13, 2007 additional language was added to the RFP. Subsequently, paragraph 4 was dropped off from page 13 and moved to following page and was overlooked. An enclosure has been added to this Addendum as a replacement page for the oversight.
- In the recent release of the MMIS RFP 07-65484, there appears to be some inconsistency in the project schedule/contract terms noted on page 6 of the RFP. The RFP states that the contract duration is for 18 months; however, September 2007 through January 2008 is only 17 months. This was corrected with the release of the Administrative Bulletin 2, Addendum 2 stating "The term of the resulting agreement is expected to be 18 months and is anticipated to be effective from September 2, 2007 through February 28, 2009.
- The RFP only describes the tasks/services of the vendor through the conference/questions and answer period, but does not clarify what additional role or tasks are to be performed after the bidders conference/Q&A period. The contract period is for 18 months and the winning proposer will stay on board until either the end of the contract or until submission of proposals from prospective Fiscal Intermediary Agents, whichever comes first. However, all prospective proposers are reminded that if you are the chosen vendor for the MMIS SOW contract you are precluded from bidding or assisting prospective proposers on any portion of the subsequent procurement.
- The RFP identifies primary tasks that the proposer is to perform and suggests that all other tasks that are not specifically identified will be covered by the work to be performed as part of the development required for the Fiscal Agent RFP.

- To ensure a fair Proposal, the State will base the evaluation and selection of a new MMIS SOW contractor in large part on the vendor who best demonstrates they have the most knowledge and experience in the development of a Fiscal Agent RFP that involves a replacement system. The MMIS SOW evaluation criterion reflects the importance of these items through the number of questions and the weight of these questions in comparison to other areas.

ONLINE AND CD VERSION

To update the RFP, use the instructions in the following chart. Any changes made to the RFP are published as replacement pages in the RFP.

REMOVE EXISTING PAGES	REPLACEMENT PAGES
RFP Main text, J. Proposal Format and Content Requirements Section, page 13.	Replace RFP Main text, J. Proposal Format and Content Requirements Section, with page 13 Addendum 3 dated 6/25/2007.

Prospective Proposers have five (5) working days from the issue of this transmittal to the postmark date of the proposers' response to submit any objections to the Addendum to the address below:

RFP 07-65484
Attn: Michele DeGuzman
CA Department of Health Services
Office of Medi-Cal Procurement, Mail Station 4200
MMIS SOW
P.O. Box 997413
Sacramento, CA 95899-7413
E-Mail: omcprfp5@dhs.ca.gov

Sincerely,

Original signed by *Donna Martinez*

Donna Martinez, Chief
Office of Medi-Cal Procurement

Enclosures

- 2) Describe experience that qualifies the proposing firm to undertake this project. At a minimum, demonstrate the proposing firm possesses at least one engagement of experience of the types listed in this section. [Proposer can have combined work experience to meet the qualifications.](#) All experience must have occurred within the past five years. It is possible to attain the experience types listed below during the same time period with various engagements. Proposers must have experience in providing:
 - a) A SOW that is for the purpose of acquiring a new fiscal agent and a new MMIS. Proposers must demonstrate prior experience that includes providing SOW language that assures the latest advancements and innovations to modify the existing claims processing and reporting systems of the MMIS that meet new state and federal requirements.
 - b) An independent analysis and review of the existing State processes of the MMIS operation and system functionality.
 - c) Advice on how to structure the allowable costs for a contract of this type to assure reasonable and cost effective pricing. Include experience in:
 - i. Making recommendations on how to structure incentives for the contractor to take action to reduce the future costs.
 - ii. Making recommendations on how to structure the implementation and ongoing costs to and hourly rates for future enhancements.
 - iii. Making recommendations regarding the specific performance criteria and penalties and damage clauses that other states have found useful in maintaining a high level of performance of the fiscal agent contractor.
 - d) Evaluation guidelines and criteria used in the evaluation of proposals.
 - e) Reports identifying potential risks based on the experience and knowledge regarding other States implementation of a new MMIS.
 - f) An acceptance testing, parallel testing, review process and implementation schedule which documents the deficiencies of the operation and included a process to provide clarification of the project and resolution of issues to obtain final approval for implementation.
 - g) The preparation and monitoring of timelines and deadlines to document the progress and status of the project.
- 3) Briefly, describe the accounts or work projects begun and/or completed in the past three years that involved services similar in nature or closely related to the Scope of Work in this RFP. For each account or project listed, include the following information:
 - a) Name of agency and contact name from the firm for whom services were performed,
 - b) Duration or length of the project,
 - c) Total cost or value of the project,
 - d) Indicate if the account or project is “active/open” or “closed/settled”,
 - e) Describe briefly the type and nature of the services performed.
- 4) Briefly describe any experience that demonstrates the proposing firm’s ability to establish and maintain effective working relationships with government entities, local community based organizations, and private nonprofit organizations.